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Agenda Item: 2
Meeting Date: September 8, 2005

CALIFORNIA BAY-DELTA AUTHORITY

August 11, 2005
650 Capitol Mall, Bay-Delta Room
Sacramento, California

MEETING SUMMARY

CALL TO ORDER AND OPENING REMARKS

1. INTRODUCTION / ESTABLISHMENT OF QUORUM

Patrick Johnston, Acting Chair, called the meeting to order at 9:11am.

The following Authority members or designees were present for the meeting:

Public – Paula Daniels, representing the Southern California Region; Susan Kennedy, representing the San Francisco Bay Region; Alfred Montna, representing the Sacramento Valley Region; Bill Jones, representing the San Joaquin Valley Region; Patrick Johnston, representing the Sacramento-San Joaquin River Delta Region; Marc Holmes, member-at-large; and Daniel Wheeler, member-at-large.

Bay-Delta Public Advisory Committee Representative – Patrick Johnston

State – Crawford Tuttle, designee for Mike Chrisman, Secretary for Resources; Lester Snow, Director of the Department of Water Resources (DWR); Ryan Broddrick, Director of the Department of Fish and Game (DFG) and designee Paul Stein; A.G. Kawamura, Secretary for Food and Agriculture (CDFA), and designee Steve Shaffer; Jim Branham, designee for Alan Lloyd, Secretary for Environmental Protection (CalEPA); and Dave Spath, designee for Sandra Shewry, Director of the Department of Health Services.

Federal – Jason Peltier, Deputy Assistant Secretary for Water and Science, U.S. Department of the Interior (DOI); Alan Oto for Kirk Rodgers, Regional Director, Mid-Pacific Region, U.S. Bureau of Reclamation (USBR); Rodney McInnis, Regional Administrator, Southwest Region, National Marine Fisheries Services (NOAA Fisheries); Brandon Muncy for Colonel Ronald Light, Sacramento District, U.S. Army Corps of Engineers (USACE); Thomas Hagler for Wayne Nastri, Region IX Administrator, U.S. Environmental Protection (USEPA); and Steve Thompson, Manager of California-Nevada Operations Office, U.S. Fish and Wildlife Service (USFWS).

Ex-Officio – Dennis O'Connor for Senator Sheila Kuehl, Chair of the Senate Natural Resources and Water Committee; and designee Steve McCarthy for Senator Bob Margett, Vice Chair of the Senate Natural Resources and Water Committee.

Following roll call, a quorum was established.

2. CLOSED SESSION. DISCUSSION OF ONGOING LITIGATION (AUTHORIZED UNDER GOVERNMENT CODE SECTION 11126(e) (1)) IN THE FOLLOWING CASES:

- California Farm Bureau Federation v. Michael Chrisman, *et al.* Sacramento Super. Ct. No. 04CS00490
- In re Bay-Delta Programmatic Environmental Impact Report Coordinated Proceedings, Court of Appeal, Third Appellate District, Consolidated Case Nos. C044267 and C044577
- Don Laub v. Gale Norton, *et al.*, United States District Court, Eastern District of California, No. CIV-F-00-6601-OWW

3. RETURN TO OPEN SESSION. OPENING REMARKS

Director Grindstaff announced that the Authority had given him direction to enter into a settlement agreement with the California Farm Bureau Federation to resolve pending legal action over the short-term Environmental Water Account (the first captioned case in No. 2 above). He called this a “positive development”. The agreement will allow Federal and State agencies to work together with scientists and stakeholders in finding the best available science to promote Delta fish health and solve problems associated with recent pelagic fish declines. Director Grindstaff announced that a press release would be issued immediately and that a copy of the settlement will soon be posted online. California Farm Bureau Director Bill Pauli spoke briefly and reiterated the Director’s comments. He hailed the agreement as “an important step forward” that would allow all the parties to work collectively on solutions in the future.

4. ADOPTION OF JUNE 8, 2005 MEETING SUMMARY

The June 8 meeting summary was unavailable. It will be available and considered for adoption at the September meeting.

5. DIRECTOR’S REPORT

This item began with a discussion about the upcoming recruitment effort in the search for a new CALFED Lead Scientist. Stuart Satow of CPS, a local human resources/recruitment firm, gave an overview of the characteristics that CPS, after extensive discussions with current Lead Scientist, Dr. Johnnie Moore, had identified as important in the recruitment process. Mr. Satow then asked Authority members for their

thoughts on what CPS should look for in recruiting for the position. Members suggested that any candidate must be aware of the high-profile nature of the position, be sensitive to the Authority's role in accountability and oversight, be able to integrate the myriad science and research issues from other agencies, have a thorough understanding of the political nature of the job, be a proven manager and task master, and demonstrate strong, effective leadership. It was further suggested that a selection/recruitment subcommittee be established to assist in the process. Dr. Moore mentioned that a selection panel had already been set up and invited interested Authority members to participate more directly through that panel.

6. LEAD SCIENTIST'S REPORT

Dr. Moore summarized a review of current Science Program activities and pelagic organism decline (POD) activities. Overall the Science Program is more focused on trying to better synthesize its activities into the other Program elements. This is one of the key roles for some of the recent staff hires to the Science Program. Five different satellite groups have also been set up to further address the issue of integration of science activities in the other CALFED Program areas.

Approximately \$12.6 billion is being spent this year to look at the decline in pelagic fish. Pelagic fish, those which live in open water, have been the subject of intense interest and scrutiny this past year because of their declining numbers. It was suggested by Dr. Wim Kimmerer that habitat restoration is unlikely to affect the POD problem because of the fact that, by definition, these organisms live in the open waters. Therefore, any changes to improve their numbers must take effect in the open water environment, not the Bay-Delta. Dr. Kimmerer did list several possible influences on the POD. These include:

- Water project effects
- Climate effects
- Contaminants
- Toxic algae
- Introduced species

CALFED can play a limited role in addressing the POD issue on some of the influences he identified. Dr. Kimmerer further suggested that perhaps the wrong question was asked initially that has led to focusing on POD issues incorrectly. It was also stated that POD issues are not the only important ones. There is widespread agreement that there have been successes with salmon and their increasing numbers, as well as overall improvements in how science is now being used through CALFED.

A brief overview was given regarding the 2004 Environmental Water Account (EWA) Review Panel and the recommendations it made. The EWA will be the focus of a public workshop in December 2005 to review 2005 EWA water acquisitions and allocations.

7. REVITALIZING CALFED

Director Grindstaff began by highlighting CALFED successes in the four resource management objectives (water supply reliability, levee system integrity, water quality, and ecosystem restoration). He then described the history surrounding the current refocusing effort which evolved from the Governor's May Revision of the 2005-06 State Budget. He reminded Authority members that the Governor laid out a three-point plan to "allow the CALFED Program to move forward and focus on addressing the highest priority issues associated with the conflicts in the Delta." The plan includes independent review, refocusing and program priorities, and financing. CALFED staff, implementing agency staff and stakeholders will provide the principal input to the three entities charged with conducting the various parts of the review. The review will be conducted by the California Department of Finance; the Little Hoover Commission; and an independent consultant, KPMG. In short, the Director described the approach each reviewing entity will undertake as the Department of Finance "looking back", KPMG "looking forward" and the Little Hoover Commission looking at how CALFED should integrate its work more effectively. The refocusing effort will take a comprehensive look at issues in the following categories:

Fiscal – The Department of Finance is to review accounting of Program appropriations, expenditures, and unappropriated balances.

Governance – The Little Hoover Commission will look at the governance of CALFED governance including vision / mission, authority, organizational structure, procedures, resources and accountability. This review will look at how well each of these components addresses the goals of CALFED.

Organization and Program Management – KPMG will identify key strengths and weaknesses of the Program and recommend specific changes.

Program – The Department of Finance and KPMG will determine the status of the Program's implementation, provide an in-depth analysis of selected major projects, and address issues of timing and expectations.

Authority members expressed concerns about the overlap in functions that are part of the review process and urged coordination at the regional level and at the Federal level, including with the U.S. Congress. The Director concurred with these suggestions and replied that "CALFED was intended to be an adaptive management process" so the suggestions made by members fit well into an adaptive management approach.

As with BDPAC, the Director asked Authority members to comment on the draft prioritization factors listed on the following page:

- Available funding
- Stage 1 decisions
- Lessons from the last 5 years
- ROD commitments
- Regulatory commitments
- Stakeholder priorities
- User contribution preferences
- Legislative priorities
- Manageable scope

It was suggested that the factors listed were good, but lacking in specificity. The need for greater specificity raised concerns about how well the factors addressed the question of Program balance and reducing conflicts in the system.

Deputy Director Tom Goehring passed out a survey for Authority members to complete. They were each asked to rank each Program in terms of priority, level of appropriate future funding, and the appropriate Authority role in relation to the Program element as high, medium or low. Members were not told in advance of this survey and were only given 10-15 minutes to complete the exercise. It was explained that the survey was not an official exercise, but rather an attempt to quickly gauge members' views on the relative importance of each Program given the current CALFED refocusing effort. The results showed that the following Programs all received a significant number of high or medium votes on the priority question: Science, Drinking Water Quality (DWQ), Ecosystem Restoration and Levees. On the funding question, the following Programs received a significant number of high votes: Levees, Science, and DWQ. Regarding the appropriate Authority role, the following Programs received a significant number of high votes: Oversight and Coordination, Science, and Ecosystem Restoration.

8. APPROVAL OF 2005-06 PROGRAM PLANS (Action Item)

Action on the 2005-06 Program Plans was delayed until the September meeting. The Director did not receive all the Plans in a timely manner, and it was subsequently decided that more time was needed to review the current plans before putting them before BDPAC for formal consideration.

9. CONSIDERATION OF RESOLUTION APPROVING SCIENCE PROGRAM GRANTS AND AUTHORIZING THE DIRECTOR, OR DESIGNEE, TO PROCESS THE APPROVED GRANTS (\$10.686 million; Proposition 13, \$1.0 million; Proposition 204, \$3.1 million; Proposition 50, \$6.0 million; U.S. Geological Survey, \$0.6 million)

This item was approved by a unanimous vote of the members. Dr. Moore, CALFED Lead Scientist, did express concern that there is no guarantee of any future funding to address critical problems but that this funding will support modeling activities and provide two to three years of research efforts.

10. BATTLE CREEK SALMON AND STEELHEAD RESTORATION PROJECT UPDATE (Information Item)

Tim Ramirez, CALFED Program Manager for Ecosystem Restoration Program (ERP), provided an overview of the Battle Creek project. It is the largest coldwater restoration project in North America. To date, \$100 million of public funds have already been spent. Both National Environmental Policy Act and California Environmental Quality Act reviews are now complete subject to formal approval of the project by State/Federal lead agencies, as well as an independent review of the project. Battle Creek is one of the few streams that remains accessible for winter run Chinook salmon. Thus far, \$28 million of CALFED funds has been made available, while approximately an additional \$64 million of additional funding is still required. ERP staff recommends this project for funding by the Authority and DFG at the appropriate time.

11. ECOSYSTEM RESTORATION PROGRAM GRANT

A. Consideration of a Resolution Recommending Adoption of Process, Criteria, and Priorities for Grants that Assist Farmers in Integrating Agricultural Activities with Ecosystem Restoration (Proposition 50, Chapter 7) (Action Item)

B Consideration of a Resolution Recommending that the Department of Fish and Game Proceed with Awarding the CALFED Ecosystem Restoration Program Monitoring and Evaluation Grants (Proposition 50, Chapter 7) (Action Item)

These two items were also approved by a unanimous vote of the members.

12. PUBLIC COMMENT

Gary Lake, vice-chairman of the Shasta Nation Tribe, commented that the Tribe lived on lands that would be flooded should Shasta Dam be enlarged. He stated that such an enlargement would destroy some cultural and historic sites of the Tribe. Lake expressed the view that his Tribe would now like to begin the process of engaging further on this issue by meeting with the appropriate Program elements and BDPAC Subcommittees that might address the Shasta Dam issues. He also stated that his Tribe understands the need for more storage to address statewide water needs and wants to participate in that discussion.

ADJOURNMENT

Acting Chair Johnston adjourned the meeting at 12:30 p.m.